



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Letter of Recision to Letter Recalling City of Lodi Allotment of Power from the Western Area Power Administration

MEETING DATE: June 17, 1998

SUBMITTED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council authorize the City Manager to execute a Letter of Recision to letter recalling City of Lodi Allotment of Power from the Western Area Power Administration (Western).

BACKGROUND: The City of Lodi and other customers of the Western temporarily released varying portions of their individual Western power allotments for transfer to Bay Area Rapid Transit. This mutually beneficial arrangement was done at a time when replacement power for the City of Lodi could be obtained at less than Western's cost.

In anticipation of increased summer 1998 electric energy prices, the City exercised its 6-month recall option last January (letter attached). Subsequently, a very good hydro year and an opportunity to purchase additional capacity and associated energy from Western has eliminated the need to recall the City's previously released allotment of Western power.

In consideration of the above, the Electric Utility Department recommends that the attached proposed letter of recision be sent to Western.

FUNDING: Not applicable

Prepared by: Jack Stone, Manager, Business Planning and Marketing

Alan N. Vallow
Electric Utility Director

ANV/JS/lst

c: City Attorney

Approved

H. Dixon Flynn
City Manager

CITY COUNCIL

JACK A. SIEGLOCK, Mayor

KEITH LAND

Mayor Pro Tempore

ROBERT J. JOHNSON

STEPHEN J. MANN

PHILLIP A. PENNINO

CITY OF LODI

CITY HALL, 221 WEST PINE STREET

P.O. Box 3006

LODI, CALIFORNIA 95241-1910

(209) 333-6702

FAX (209) 333-6807

June 17, 1998

H. DIXON FLYNN
City Manager

RANDALL A. HAYS
City Attorney

ALICE M. REIMCHE
City Clerk

Mr. Jerry Toenyas
Regional Manager
Sierra Nevada Region
Western Area Power Administration
114 Parkshore Drive
Folsom, CA 95630

RE: City of Lodi Recall Notification letter dated January 27, 1998

Dear Mr. Toenyas:

The City of Lodi hereby rescinds the above referenced letter as of this date.

Thanks to the efforts of Western to make available excess capacity and energy, including power from delaying a portion of the work on Shasta, Lodi is assured of sufficient, economically priced energy for the summer season.

We again appreciate your consideration of this matter. If you have any questions regarding this letter of rescission, please contact Jack Stone at (209) 333-6748.

Sincerely,

H. Dixon Flynn
City Manager

HDF/ANV/1st

CITY COUNCIL

JACK A. SIEGLOCK, Mayor

KEITH LAND

Mayor Pro Tempore

STEPHEN J. MANN

PHILLIP A. PENNINO

DAVID P. WARNER

CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

ALAN N. VALLOW, DIRECTOR

1331 S HAM LANE

LODI, CALIFORNIA 95242-3995

(209) 333-6762

FAX (209) 339-0851

H. DIXON FLYNN
City Manager

RANDALL A. HAYS
City Attorney

ALICE M. REIMCHE
City Clerk

January 27, 1998


Zola Jackson, Acting Manager
Sierra Nevada Region
Western Area Power Administration
114 Parkshore Drive
Folsom, CA 95630

Dear Ms. Jackson:

As you know, Lodi temporarily amended its Western contract rate of delivery (CRD) in 1996 from 13.236 MW to 6.636 MW. The agreement to implement this reduction in our CRD requires that we provide Western with a six-month notification of our intent to increase our CRD. This Letter is to notify Western that we wish to increase our CRD from the current level of 6.636 MW to 13.236 MW beginning on August 1, 1998.

We appreciate your consideration of this matter. If you have any questions regarding our recall notification, please contact Jack Stone at (209) 333-6748.

Sincerely,



H. Dixon Flynn
City Manager

HDF/ANV/lst

c: Manager, Business Planning & Marketing
File

RESOLUTION NO. 98-100

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO EXECUTE A LETTER OF RECISION,
RESCINDING THE LETTER ADDRESSED TO THE WESTERN
AREA POWER ADMINISTRATION (WAPA) DATED
JANUARY 27, 1998

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BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to execute a Letter of Recision (Exhibit A), rescinding the letter addressed to the Western Area Power Administration (WAPA) dated January 27, 1998 (Exhibit B).

Dated: June 17, 1998

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I hereby certify that Resolution No. 98-100 was passed and adopted by the Lodi City Council in a regular meeting held June 17, 1998 by the following vote:

AYES: COUNCIL MEMBERS - Land, Mann, Pennino and Sieglock (Mayor)

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - Johnson

ABSTAIN: COUNCIL MEMBERS - None


ALICE M. REMICHE
City Clerk

CITY COUNCIL

JACK A. SIEGLOCK, Mayor
KEITH LAND
Mayor Pro Tempore
ROBERT J. JOHNSON
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June 17, 1998

H. DIXON FLYNN
City Manager

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Regional Manager
Sierra Nevada Region
Western Area Power Administration
114 Parkshore Drive
Folsom, CA 95630

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We again appreciate your consideration of this matter. If you have any questions regarding this letter of rescission, please contact Jack Stone at (209) 333-6748.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Dixon Flynn".

H. Dixon Flynn
City Manager

HDF/ANV/ist

CITY COUNCIL

JACK A. SIEGLOCK, Mayor
KEITH LAND
Mayor Pro Tempore
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H. DIXON FLYNN
City Manager

RANDALL A. HAYS
City Attorney

ALICE M. REDMCHE
City Clerk

EXHIBIT B

January 27, 1998

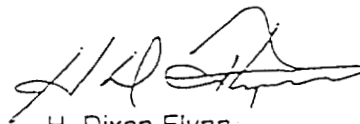
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Sierra Nevada Region
Western Area Power Administration
114 Parkshore Drive
Folsom, CA 95630

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Sincerely,



H. Dixon Flynn
City Manager

HDF/ANV/1st

c: Manager, Business Planning & Marketing
File